

SENATE BILL No. 332

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15.

Synopsis: Medicaid disproportionate share providers. Adds community mental health centers to the group of providers included as a disproportionate share provider under the Medicaid program.

Effective: July 1, 2008.

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January 10, 2008, read first time and referred to Committee on Health and Provider Services.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 332

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-15-16-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) A provider that
3 is an acute care hospital licensed under IC 16-21, a state mental health
4 institution under IC 12-24-1-3, **a community mental health center**
5 **that is identified in IC 12-29-2-1**, or a private psychiatric institution
6 licensed under IC 12-25 is a disproportionate share provider if the
7 provider meets either of the following conditions:

8 (1) The provider's Medicaid inpatient utilization rate is at least
9 one (1) standard deviation above the mean Medicaid inpatient
10 utilization rate for providers receiving Medicaid payments in
11 Indiana. However, the Medicaid inpatient utilization rate of
12 providers whose low income utilization rate exceeds twenty-five
13 percent (25%) must be excluded in calculating the statewide
14 mean Medicaid inpatient utilization rate.

15 (2) The provider's low income utilization rate exceeds twenty-five
16 percent (25%).

17 (b) An acute care hospital licensed under **IC** 16-21 is a municipal



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disproportionate share provider if the hospital:

(1) has a Medicaid utilization rate greater than one percent (1%);

and

(2) is established and operated under IC 16-22-2 or IC 16-23.

~~(c) A community mental health center that:~~

~~(1) is identified in IC 12-29-2-1;~~

~~(2) receives funding under:~~

~~(A) IC 12-29-1-7(b) before January 1, 2004; or~~

~~(B) IC 12-29-2-20(c) after December 31, 2003;~~

~~or from other county sources; and~~

~~(3) provides inpatient services to Medicaid patients;~~

is a community mental health center disproportionate share provider if the community mental health center's Medicaid inpatient utilization rate is greater than one percent (1%).

~~(d)~~ (c) A disproportionate share provider under IC 12-15-17 must have at least two (2) obstetricians who have staff privileges and who have agreed to provide obstetric services under the Medicaid program. For a hospital located in a rural area (as defined in Section 1886 of the Social Security Act), an obstetrician includes a physician with staff privileges at the hospital who has agreed to perform nonemergency obstetric procedures. However, this obstetric service requirement does not apply to a provider whose inpatients are predominantly individuals less than eighteen (18) years of age or that did not offer nonemergency obstetric services as of December 21, 1987.

~~(e)~~ (d) The determination of a provider's status as a disproportionate share provider under this section shall be based on utilization and revenue data from the most recent year for which an audited cost report from the provider is on file with the office.

SECTION 2. IC 12-15-19-10, AS AMENDED BY P.L.2-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. For state fiscal years beginning after June 30, 2000, the state shall pay providers as follows:

(1) The state shall make municipal disproportionate share provider payments to providers qualifying under IC 12-15-16-1(b) until the state exceeds the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)).

(2) After the state makes all payments under subdivision (1), if the state fails to exceed the state disproportionate share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make disproportionate share provider payments to providers qualifying under IC 12-15-16-1(a).

~~(3) After the state makes all payments under subdivision (2); if~~

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1 the state fails to exceed the state disproportionate share allocation
2 (as defined in 42 U.S.C. 1396r-4(f)(2)); or the state limit on
3 disproportionate share expenditures for institutions for mental
4 diseases (as defined in 42 U.S.C. 1396r-4(h)); the state shall make
5 community mental health center disproportionate share provider
6 payments to providers qualifying under IC 12-15-16-1(c).

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